

VZCZCXRO2513  
PP RUEHPB  
DE RUEHSV #0085/01 0620920  
ZNY CCCCC ZZH  
P 020920Z MAR 08  
FM AMEMBASSY SUVA  
TO RUEHC/SECSTATE WASHDC PRIORITY 0407  
INFO RUEHBS/AMEMBASSY BRUSSELS 0007  
RUEHBY/AMEMBASSY CANBERRA 1958  
RUEHLO/AMEMBASSY LONDON 0110  
RUEHFR/AMEMBASSY PARIS 0103  
RUEHPB/AMEMBASSY PORT MORESBY 1485  
RUEHWL/AMEMBASSY WELLINGTON 0060  
RUEHNZ/AMCONSUL AUCKLAND 0603  
RUEHDN/AMCONSUL SYDNEY 1021  
RHHMUNA/HQ USPACOM HONOLULU HI  
RHHJJAA/JICPAC HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 06 SUVA 000085

SIPDIS

SIPDIS

E.O. 12958: DECL: 02/28/2018  
TAGS: [PREL](#) [PGOV](#) [CJAN](#) [PHUM](#) [FJ](#)  
SUBJECT: EAP PDAS DAVIES FEB 27 VISIT TO SUVA

REF: A. SUVA 075

- [1](#)B. SUVA 072
- [1](#)C. SUVA 9 (FW)
- [1](#)D. SUVA 60 (BUADROMO)

Classified By: Amb. Dinger. Sec. 1.4 (B,D).

#### Summary

[1](#)1. (C) EAP PDAS Davies met with the key players in Fiji on Feb. 27, including interim PM Bainimarama. Davies stressed to all the U.S. continuing interest in a return to legitimate, democratically-elected governance as soon as possible. The shocking expulsion of the Fiji Sun publisher had taken place the day before, and Davies used that example to emphasize the need for the interim government (IG) to protect human rights, including media freedom. The IG argued it respects media freedom, but not "incitement." Bainimarama, in particular, expressed concern that ethnic Fijians might roll into Suva and cause violence. Deposed Opposition Leader Beddoes described a plan to accent public unhappiness with the IG via a "yellow ribbon" campaign. Bainimarama said plans for an election around March 2009 are on track, though he emphasized the military's view that "fundamental principles" which motivated the December 2006 coup must be addressed before Fijian return to democratic governance. In the IG's view, the National Council for Building a Better Fiji (the People's Charter process) is the vehicle for addressing those fundamental issues. Others actors, including the Commonwealth Secretariat, are attempting to set up political dialogues, though how much flexibility Bainimarama will be prepared to show is a real question.

[1](#)2. (C) Davies reiterated to Bainimarama and others that U.S. ties to Fiji and the Pacific are only growing stronger, and it is in that context that we practice "tough love" toward the IG and its policies. Bainimarama complained at length about the international community's unwillingness to embrace his vision. Bainimarama inquired about the U.S. elections, noting he met Senator McCain (in 2005). On the Fiji economy, Bainimarama and Finance Minister Chaudhry both gave upbeat assessments. Others were considerably less confident. Davies urged Chaudhry to ensure the American company Fiji Water receives fair treatment by tax and customs authorities. In a meeting with Davies, Virisila Buadromo, who will receive an International Women of Courage award in March, said she is honored, and she hopes the IG will allow her to travel to Washington. After a full day, Davies was left with

a strong impression that Fiji's troubles continue to fester, and pressures may even be increasing. Davies' media conference resulted in excellent front-page coverage in all three newspapers, accenting U.S. engagement. End summary.

A full and varied schedule: Bainimarama the key

-----  
13. (U) In a visit to Suva on Feb. 27, EAP PDAS Glyn Davies met with interim PM Frank Bainimarama, interim Foreign Minister Ratu Epeli Nailatikau, interim Finance Minister Mahendra Chaudhry, deposed PM Laisenia Qarase (accompanied by political advisor Tupeni Baba), deposed Opposition Leader Mick Beddoes, Fiji human-rights activist Virisila Buadromo, PNG High Commissioner, and Chair of the Pacific Islands Forum (PIF)-Fiji Working Group, Peter Eafeare, and EU heads of mission. Davies also held a media conference and taped Fiji TV's "Close Up" program for airing on Sunday. The meeting with Bainimarama followed from invitation on the margins of the UNGA last September. The meeting lasted for an hour, well over the allotted time. The tone was cordial, though tough issues were discussed. Most of the following paragraphs key on themes from the Bainimarama meeting, weaving in views from other meetings as appropriate.

Media freedom and the Hunter expulsion

-----  
14. (C) The meeting with Bainimarama began and ended with discussion of the IG's expulsion on Feb. 26 of Fiji Sun publisher Russell Hunter, an Australian citizen. Davies expressed concern that the sudden and harshly executed act was an attack on media freedom, noting that suppressing opponents is a slippery slope which can actually increase dissent. Davies pressed Bainimarama and others to allow Hunter to return to Fiji. Bainimarama claimed he has

SUVA 00000085 002 OF 006

protected media freedom ever since the December 2006 coup; however, "incitement cannot be allowed." Bainimarama said the IG has evidence, including e-mails, that shows Hunter was intending to incite violence by the indigenous community. Bainimarama suggested that, contrary to speculation, the expulsion "did not have much to do" with recent Fiji Sun articles exposing alleged tax evasion by Chaudhry (reftels). The IG "has to draw the line somewhere. There must be limits." Davies queried how the media are expected to know that line. He urged the IG to allow a free flow of information on both sides, permitting a war of ideas.

15. (C) When Davies raised the Hunter case at the Foreign Ministry, Nailatikau responded that Fiji "needs to keep up with international norms of behavior. Many here are blind to that." Nailatikau said he is sure there was a "hint of politicizing" in the Hunter case, noting Chaudhry deported Hunter previously, before the coup in 2000. Chaudhry, in his meeting with Davies, said the expulsion of Hunter was "a national security issue" and had no connection to Chaudhry's own tax case. Chaudhry described "absolute media freedom" in Fiji, even though "the media are constantly attacking, and 80% of their stories on the IG are negative." He revealed that the Fiji Human Rights Commission's report on media freedom in Fiji would be released later in the week. (See septel.)

The public mood is worrying

-----  
16. (C) Bainimarama repeatedly expressed concern about "incitement" of the indigenous community. He said the peoples of Naitasiri and Rewa (nearby provinces) might flow into Suva if sufficiently stirred up. The military would have to "put a stop to marching down the street." If the military has to focus on such activities, "the races we want to protect" could be endangered (i.e., the ethnic-Indians that many ethnic-Fijians perceive to be supporting the IG could become targets of violence). Bainimarama said his strategy since Dec. 2006 has been for troops to undertake public-relations efforts in villages to steer the indigenous

population away from mass action. "That has worked, but we are running short of financing and people to send out." Bainimarama proudly said the military "stood up to the test in 2000 and 2006. When Davies suggested the worst outcome would be a violent confrontation between the military and others, Bainimarama said he warned his Military Council just before Dec. 2006 of two dangers: that the people might think the event is "another coup" (rather than a clean-up campaign), or that a perception might arise that the event works against Fiji's best interests. Bainimarama emphasized, "We are sticking with principles." (Comment: many would say both of Bainimarama's "dangers" have come to pass.)

17. (C) On the public mood, Opposition Leader Beddoes struck his own note of concern about ethnic-Fijian disquiet. More broadly, Beddoes said he plans to propose that opponents of the IG wear yellow ribbons as a visible signal of discontent. Doing more, such as street marches, could result in direct confrontation with the military, not a happy thought. Qarase and Baba said they are very worried. Baba said, "When Fijians are quiet, worry. They are getting ready for battle." The IG undertakings to touch the land issue and to reform the Great Council of Chiefs (GCC) have touched raw nerves.

IG plans for elections - on track?

18. (C) When asked the current IG vision of the way forward for Fiji, Bainimarama said the plan is still to hold elections in 2009. Asked "March?", Bainimarama said, "Hopefully March, it could be February or April." He sketched the state of play for preparations and complained, "It is insulting to have to answer continually" about possible delays. He noted international comments in particular. Bainimarama continued, "Elections alone won't solve Fiji's problems." Long-standing issues need to be resolved first. Unfortunately, "opponents are sabotaging things." He said if opponents like Qarase's SDL keep making trouble, "there is no way to move ahead." Bainimarama said he wants to "get out" of power; but the 2000 coup scenario taught him a lesson. Back then, he "gave back executive authority before Fiji's fundamental problems had been sorted out. That was a mistake. Qarase then took off in a

SUVA 00000085 003 OF 006

different direction." Bainimarama insisted repeatedly in the conversation, "We have to get the fundamentals right." Note: PNG High Commissioner Eafeare, who chairs the Forum-Fiji Working Group, told Davies he is concerned about election preparations, and about the state of play in general within the IG. The PIF is keeping pressure on, but the IG has not been as energetic as it should be to ensure all steps are in place to ensure the election timetable is met.

NCBBF, the People's Charter

19. (C) Bainimarama said the National Council for Building a Better Fiji (NCBBF, People's Charter process) has had great difficulty raising funds. When Davies observed that major players like Qarase's SDL Party and the Methodist Church are not engaged in the NCBBF, Bainimarama proposed that many Methodists and chiefs are on board, just not the leaders. When Davies noted that deposed Opposition Leader Beddoes publicly resigned from the NCBBF on Feb. 26, Bainimarama, clearly miffed, responded "I have nothing to say about Mick Beddoes." When Davies asked how the People's Charter fits within the Constitution, Bainimarama said a referendum or some other device will confirm the people's support at some stage.

110. (C) Beddoes announced he resigned because of the Hunter expulsion, the IG's mishandling of Chaudhry's tax issues, and a blunt warning by Police Commissioner Teleni that security forces will come down hard on those who make "inciteful" remarks against the IG. In conversation with Davies, Beddoes said he is not optimistic about the NCBBF at this point.

Foreign Minister Nailatikau said he hopes "something can come from the process. We have tried everything before. Let's try this." Nailatikau expressed concern that Beddoes had pulled out. Chaudhry dismissed Beddoes as unimportant, but he stressed that the People's Charter "is essential for Fiji's future." It must deal with the "fundamental problems of democracy," including the land issue, "which must be fixed."

Elections, People's Charter, sequencing?

-----

¶11. (C) When Davies asked the IG's plans for sequencing elections and the People's Charter, Bainimarama said the election timetable is proceeding on the presumption the People's Charter will be in place. He added that the IG is "ready for elections next week if that is what the people want." Later, Chaudhry, who clearly has taken an organizational role in the NCBBF, told Davies that the People's Charter process "is time-lined." As of now, progress is on time, with a product to the people in October. Chaudhry said the initial idea of a referendum is now being reviewed, since Fiji law doesn't provide for referenda. He said one option may be to recall the old parliament to endorse the Charter. (Comment: It is hard to imagine the SDL majority in the old parliament giving their endorsement, unless attitudes change dramatically or the IG plays some sort of game.)

Sir Paul Reeves - a Commonwealth dialogue

-----

¶12. (C) Commonwealth Secretariat staffer Albert Mariner met with Bainimarama just before Davies did to discuss the effort New Zealand's Sir Paul Reeves is undertaking at Commonwealth behest to facilitate a political dialogue in Fiji, apart from the NCBBF process. Bainimarama told Davies he will take on board any ideas that are offered as friendly; "but we can't compromise on the principles of December 5." Bainimarama indicated he likes Reeves, and in fact had identified him nearly a year ago as a possible international observer for the NCBBF process. Bainimarama said he hopes any dialogue engineered by Reeves "will go OK." He is worried, though, by the intention to separate dialogue from the NCBBF process. Politicians might create problems. Chaudhry, in his meeting with Davies, noted he was not included in the conversations when Reeves visited Suva last December. Chaudhry hopes he will be included when Reeves returns March 1-8. Qarase told Davies he is ready to engage in political dialogue via any useful process, including with Reeves; but he and the SDL will stay out of the NCBBF.

A Commonwealth Secretariat view

-----

SUVA 00000085 004 OF 006

¶13. (C) Note: In a conversation with the Ambassador on Feb. 28, Mariner said the IG (PM PermSec Chand) made all decisions about Reeves' meetings last December. Mariner envisions Reeves meeting with leaders of all significant political entities this time around: Bainimarama, Qarase, Beddoes, Chaudhry, and heads of the smaller NFP and NAP. If all goes well, a group meeting could occur March 7. It appears Bainimarama gave consistent signals to Mariner and Davies. He sees the "principles of December 5" as firm; he would strongly prefer the Reeves process to come within the NCBBF process at some point, preferably initially. Mariner left open with Bainimarama the possible eventual merger of paths, while making clear Reeves sees his political facilitation as independent of the NCBBF. Mariner sees that independent course as essential if the Reeves process is to have a chance of succeeding. In Davies' meeting with Chaudhry, Davies suggested that the NCBBF is "utopian." Mariner fully agrees, as does Reeves. They believe what must happen is a political process building up, not a utopian vision being imposed. Mariner reported that Bainimarama said he wants a clear agenda for any Reeves process, not another "talanoa" talk-fest without direction, as took place (under East West

Center facilitation) after the 2000 coup. (Note: EWC's Charles Morrison and Sitiveni Halapua have offered their services again; but it does not appear the IG is enthusiastic.)

Yet another dialogue facilitation: Beddoes

-----  
¶14. (C) In the Beddoes-Davies meeting, Beddoes described a separate effort he has been facilitating with PM PermSec Chand for Bainimarama, Qarase, and himself to start an informal, no-agenda conversation, beginning with prayer and rugby but eventually reaching the thorny political subjects at the heart of Fiji's problems. Beddoes said the first session was to have been this week, until the Chaudhry and Hunter stories broke. Beddoes figures that, if his informal dialogue effort proceeds, it could at some point meld into the Reeves process. Beddoes and Qarase both described to Davies an outcome scenario that would have the old Parliament reconvene, address and regularize any controversial IG decisions and decrees, and then close down, with a totally civilian, non-political caretaker government to oversee Fiji through elections, and with nobody in that caretaker government allowed to run for office. One difficult issue that would have to be worked through is what to do about the military's strong interest in amnesty for coup- and post-coup actions.

International intransigence; U.S. tough love

-----  
¶15. (C) When Davies, thinking back to his visit in April 2007, noted a seeming lack of IG progress in reaching its goals, Bainimarama said "These are not normal times in Fiji. If the international community would come on my side, there will be no worries." He raised the theme of international intransigence repeatedly, prompting Davies to ask for examples. Bainimarama cited Australia, New Zealand, and U.S. visa bans. He said, "It is OK to put them on the military;" but they should not be placed on families, on board members, or on civilian member of the IG. Davies defended U.S. sanction policies, noting our aid cut-off was required by law, and our other sanctions are based on principle. Bainimarama said "nothing has changed" in the IG relationship with Australia and New Zealand, though an NCBBF mission would be in Australia shortly. (Note: Co-Chair Archbishop Mataka was in Canberra 2/27 for meetings arranged under an academic umbrella. Another NCBBF participant who intended to go was stopped under the Australia visa ban because he serves on an IG board.) Davies described the U.S. long-term and continuing interest in Fiji, and stressed that the USG will continue to urge the IG to move rapidly to elections, following constitutional processes. Bainimarama responded, "Come more often. I like talking to you." Davies added, "We want Fiji to succeed," and in that spirit we offer "tough love."

U.S. elections: a McCain connection

-----  
¶16. (C) Bainimarama asked about the U.S. elections, as did every interlocutor in Suva. He claimed to be watching the process avidly, but he seemed to think the election is down to Clinton and Obama. When we mentioned McCain, Bainimarama

SUVA 00000085 005 OF 006

seemed surprised, but said with pleasure, "I met him."  
(Note: Per previous reporting, the owners of Turtle Island Resort in Fiji's Yasawa Islands arranged for Bainimarama to visit over Christmas 2005, wanting to lobby him about a controversial water-use, "goli goli" bill. Senator McCain, who has vacationed at Turtle Island repeatedly over the years, was there at the same time. The two reportedly had conversations in which Senator McCain urged the Fiji military to accept its proper role in a democracy.)

Reforming the Great Council of Chiefs

-----  
¶17. (C) Asked about the IG's recent, controversial reforms of



the Great Council of Chiefs (GCC) (see reftels), Bainimarama said reform is needed, and the intention is actually to "elevate" the chiefs and make them non-political. He claimed the new regulations' edict that the Minister for Indigenous Affairs should chair the GCC, and Bainimarama's currently happening to be in that role, should not lead one to conclude he wants to control the process.

Judicial independence?

-----  
¶18. (C) Davies raised the Fiji judiciary, expressing concern at reports it has been compromised. Bainimarama responded, "There has been no interference in the day-to-day running of the judiciary. All are working within the Constitution." He asked why the U.S. would have any other impression? We noted the IG's refusal two weeks ago to allow an International Bar Association visit, with the interim Attorney General expressing concern that Fiji judges might be "influenced" by the IBA.

The economy: things are rosy?

-----  
¶19. (C) Bainimarama reported that banks are doing well, Fiji's Tax and Customs Authority (FIRCA) took in \$36 million more in 2007 than in 2006, investors are coming in, so, "Things are starting to look rosy and will be fine by election time." He acknowledged a slow-down after the coup, but "things are now moving up." Chaudhry was equally upbeat. He said the IG has stabilized finances and reserves. Revenues are up, via better compliance. Chaudhry said issues remain. In particular, resolving the "land issue" is critically important for the sugar industry, which must dramatically increase production to produce electricity from bagasse and ethanol from molasses. Chaudhry noted that the EU's insistence on "backloading" its sugar-reform assistance has created problems, but the IG is compensating by funding sugar support. Qarase's view of the economy is considerably more jaded. He sees serious trouble with no solutions in sight. People are hurting, which adds to their discontent. Qarase is convinced plenty of land is already available for sugar, if properly husbanded, without meddling in the "land" issue.

Fiji Water

-----  
¶20. (C) Davies raised the Fiji Water case with Chaudhry (see ref C), stressing the need for rule of law and a level playing field when foreign governments deal with American companies. Chaudhry made clear he cares personally about the case. He argued that Fiji Water has "way under-valued" its exports, and he said other Fiji companies are valuing their exports at double what FW declares. He alleged that FW has failed to provide requested documentation. He complained bitterly about FW efforts to stifle competition in Australia and the U.S. using frivolous IPR lawsuits. When we asked if Chaudhry is tying the IPR and customs issues together, he denied it. He proposed that former FW owner David Gilmore (a Canadian billionaire) still controls FW from behind the screen of Roll International (a U.S. company). When we asked about binding arbitration instead of the current court process to resolve the transfer-pricing issue, Chaudhry dismissed the thought. He said the case will go to trial in March. He suggested the U.S. should commence its own investigation of FW. We noted that U.S. Customs recently provided information on FW imports to Fiji's Tax and Customs authority, as requested. (Comment: many of Chaudhry's assertions about FW do not bear up under even cursory examination, though the IPR-lawsuit tactic appears real.)

Virisila Buadromo

SUVA 00000085 006 OF 006

-----  
¶21. (C) The State Department will award Fiji human rights activist Virisila Buadromo the International Woman of Courage award in early March. Buadromo told Davies she is honored,

and is greatly looking forward to her first visit to Washington...if the IG allows her to leave Fiji. (Note: the IG has placed travel bans on Buadromo and other activists from time to time.) Buadromo described how three judges called her into court in February for a "dressing down" for having dared to express concern about the Fiji judiciary's independence since the coup (ref D).

Comment

-----

¶22. (C) The series of conversations left PDAS Davies with a strong impression that Fiji's troubles continue, and pressures may even be increasing. In meetings and media events, Davies stressed that the USG, as a friend, urges Fiji to return to legitimately elected governance ASAP and to ensure rule of law, including media freedom and an independent judiciary. The various efforts under way to solve Fiji's problems and to find a political solution create a degree of hope; however, Bainimarama's insistence, at this point, on sticking to "the fundamental principles of December 5" would seem to leave little room to maneuver, unless Qarase, Beddoes, and others are prepared to capitulate. The IG's opponents do not appear to be in a capitulation mood, at least not yet.

¶23. (U) EAP PDAS Davies cleared this message.  
DINGER